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SAA Information Bulletin

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To: All Councils of Government
All Texas State Homeland Security Grant Program Points of Contact
All Urban Area Security Initiative (UASI) Points of Contact

From: Machel Pharr
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Subject: Supporting Documentation for Grant Expenditure Reimbursement Request

Effective Date: August 2, 2013

This information bulletin provides guidance as to what is considered acceptable documentation in support of expenditures for which reimbursement is requested. This revision supersedes revised SAA Information Bulletin 11-005 issued July 31, 2012. This Information Bulletin encompasses necessary supporting documentation to be submitted by sub-recipients of Homeland Security grant funds seeking reimbursement from the Texas Homeland Security State Administrative Agency (THSSAA) for grant-related expenditures.

All expenditure requests must have THSSAA approval prior to purchase. Requests for reimbursement should be submitted to the THSSAA at the earliest possible opportunity. This will allow for the THSSAA to draw down funds in a timely manner. All minimum supporting documentation requirements must be met when submitting expenses to the THSSAA for reimbursement. Omitting the proper supporting documentation will result in delay and possible denial of the reimbursement request. See the attached matrix for a list of documentation requirements.

Three Way Match: Generally Accepted Accounting Principles require that expenditures be properly supported. When assembling documents for payment of goods and services, the three way match rule should be followed. The three-way match requires an invoice, a purchase order and either a packing slip or a receiving report.

Three Way Match refers to the comparison of the quantities, price per unit, terms, etc. appearing on the vendor's invoice to the information on the purchase order, and to the quantities actually received.

Chapter II, ATTACHMENT A, Section C paragraph 1.j. of the Uniform Grant Management Standards (UGMS) states: "Be adequately documented. Documentation required may include, but is not limited to, travel records, time sheets, invoices, contracts, mileage records, billing records, telephone bills and other documentation that verifies the expenditure amount and appropriateness to the grant."

To eliminate errors, the purchase order and packing slip (if provided by shipper) should be stamped as received, with the initials of the individual verifying the quantities received. If a receiving report is used, it should reference the Purchase Order number. The invoice should be matched to the packing slip and purchase order to ensure the quantities ordered were received and invoiced at the agreed upon price. The invoice should be notated to indicate it was paid, the date paid, and with a reference to a check number, Automated Clearing House (ACH) routing number, or other means of payment used.

Purchase Orders: The THSSAA recognizes there may be limitations in the procurement processes followed by some entities. If an entity does not issue purchase orders or purchase agreements, that entity should provide the THSSAA with a written certification from the elected official or individual who signed the grant award documents stating the entity does not have a written procurement policy and due to its size and staff limitations such a function would place a burden on the entity.

Once this certification is received at the THSSAA, the entity must have a person sign and date invoices and indicate the item(s) were received. This is in place of matching the item(s) from the packing slip to a purchase order and invoice. When the reimbursement request is submitted to the THSSAA, a comment should be made in the Notes section of SPARs that this entity does not issue purchase orders and certification is on file with the THSSAA.

If the entity later begins issuing purchase orders or purchase agreements, they should notify the THSSAA and provide a copy of the local policies and procedures.

When contracts are being used in lieu of a Purchase Order, ensure the procurement process is accomplished in accordance with the Uniform Grant Management Standards Part III Subpart C.____.36; 44 CFR Ch 1 § 13.33 and § 13.36; and, any jurisdictional procurement policies.

Sub-grantees are also referred to THSSAA Information Bulletin No. 11 dated March 3, 2009 regarding Sole Source procurement requirements.

The three way match will work for purchases of most goods and services. However, contracts that include deliverables should be supported by certification the deliverable received complied with the contract specifications.

To ensure compliance with the Executive Order 12549 "Debarment and Suspension", any request for reimbursement or hardship advance must be supported by proof the vendor or contractor is not listed on the Excluded Parties List System (EPLS) prior to making the purchase or entering into a contract. To confirm the vendor is not on the list, the sub-recipient must print a copy of the search

results from the EPLS (<https://www.SAM.gov/>) and retain the results. The verification must be provided to the THSSAA as part of the supporting documentation when requesting reimbursement or an advance effective with any request submitted after August 23, 2013. This requirement is applicable to all procurements or contracts for goods or services related to Homeland Security Grants. See also SAA Information Bulletin 12-003.

Grant Matching Requirements. For grants that require proof of match, supporting documentation should contain sufficient detail to ensure Grant Coordinators can be assured the expenditure meets the match requirements. Grant guidance should be followed in determining allowability. If any questions arise, they should be directed to your Grant Coordinator.

Travel: Travel should be in accordance with the local travel policies of the employee's jurisdiction. If the jurisdiction does not have a written policy, then the Federal guidelines presented on the GSA website must be followed.¹

In addition to the above, Travel expenditures require other special considerations and documentation.

Travel expenses must be supported by sufficient information to determine:

1. the travel was approved before commencement;
2. expenses incurred are allowable;
3. expenses above the generally allowed amounts were approved prior to commencing travel; and,
4. how the travel supports the grant.

For out-of-state travel, specific written approval is required from the Chief Elected Official/Chief Executive Officer or their properly designated representative. The information required of in-state travel is also required for out-of-state travel.

International travel requires specific written approval from the THSSAA and the Department of Homeland Security Program Directorate. Travel requests for international travel should be submitted in letter format with sufficient justification to ensure the necessity is clearly understood.

In all cases, any request for travel must be approved prior to commencement of the travel. Failure to obtain this approval may result in denial of the reimbursement.

Payroll Reimbursement: Reimbursement of payroll cost for backfill or overtime must be supported by timesheets and proof of payment to the employee. Copies of the payroll journal certified by the Payroll Officer or Chief Financial Officer may be submitted as proof of payment for payroll cost.

The attached table provides minimum supporting documentation requirements acceptable for submission to THSSAA for reimbursement.

In addition, jurisdictions receiving Operation Stonegarden funds are referred to SAA Information Bulletin 12-005 for additional information and guidance.

¹ Go to the following link for general rules for Per Diem expenses:
<http://www.gsa.gov/portal/ext/public/site/FTR/file/Chapter301p011.html/category/21868/#wp1089939>

If you have any questions regarding this guidance, please contact the THSSAA Grant Technician for your region.